

Board of Liquor License Commissioners

MISSION STATEMENT

The mission of the Board of Liquor License Commissioners is to ensure the lawful sale and use of alcoholic beverages and tobacco products within Montgomery County and to enforce the laws and regulations relating to alcohol and tobacco sales and alcohol licensing.

BUDGET OVERVIEW

The total recommended FY06 Operating Budget for the Office of the Board of Liquor License Commissioners is \$1,057,830, an increase of \$87,410 or 9.0 percent from the FY05 Approved Budget of \$970,420. Personnel Costs comprise 86.9 percent of the budget for ten full-time positions and three part-time positions for 12.5 workyears. Operating Expenses account for the remaining 13.1 percent of the FY06 budget.

Not included in the above recommendation is a total of \$69,350 and 1.0 workyear that is charged to Health and Human Services, Grant Fund. The funding and workyears for this item are included in the receiving department's budget.

HIGHLIGHTS

- ❖ *The Tobacco Restitution and Alcohol Compliance Enforcement (TRACE) software enabled staff to access information, and track revenues collected from fines more expediently.*

PROGRAM CONTACTS

Contact Dennis Theoharis of the Office of the Board of Liquor License Commissioners at 240.777.1989 or Alexandra Shabelski of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Alcoholic Beverage Enforcement

The Alcoholic Beverage Enforcement program includes inspections and/or surveillance investigations of licensed facilities to ensure compliance with all applicable laws, rules, and regulations. These operations involve licensees and their employees, as well as residents and visitors to Montgomery County. Inspectors cite violators of alcoholic beverage laws and testify before the Board at "show cause" hearings. This program also provides hotel/motel surveillance to discourage room service and off-premises delivery to minors.

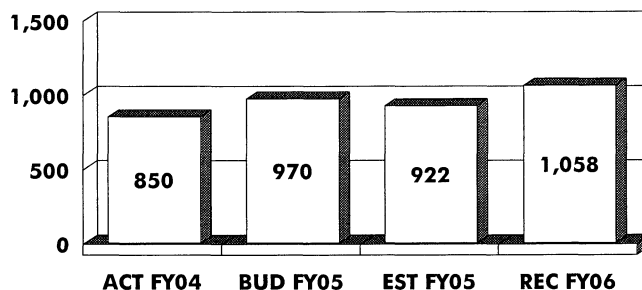
FY06 Recommended Changes

	Expenditures	WYs
FY05 Approved	380,920	6.3
FY06 CE Recommended	426,190	6.5

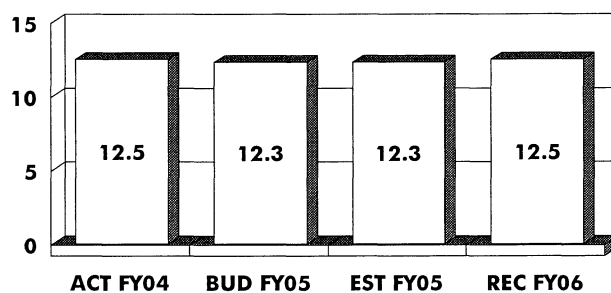
Program Summary

	Expenditures	WYs
Alcoholic Beverage Enforcement	426,190	6.5
Alcoholic Beverage Facility Licensing	288,500	2.5
Alcoholic Beverage Licensee Training	0	0.0
Tobacco Enforcement	132,400	2.5
Administration	210,740	1.0
Totals	1,057,830	12.5

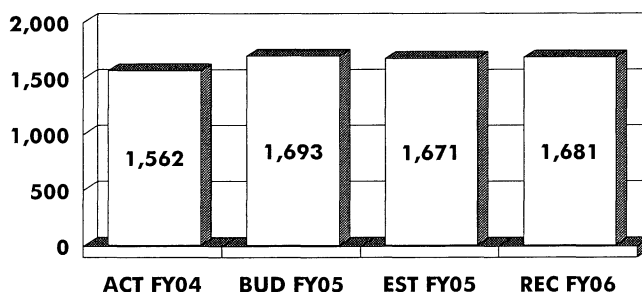
Trends



EXPENDITURES [\$000s]



WORKYEARS



RELATED REVENUES [\$000s]

Alcoholic Beverage Facility Licensing

This program includes the issuance of alcoholic beverage licenses upon evidence that the license applications are in compliance with applicable standards. BLC conducts licensing and/or enforcement hearings prior to the issuance, fining, suspension, or revocation of an alcoholic beverage license. Administrative staff of the BLC support this function.

FY06 Recommended Changes

	Expenditures	WYs
FY05 Approved	279,950	2.5
FY06 CE Recommended	288,500	2.5

Alcoholic Beverage Licensee Training

This program provides for alcohol awareness training courses to licensed facilities. State law requires that at least one licensee or employee at each licensed facility successfully complete alcohol awareness training and be on the licensed premises whenever alcoholic beverages are sold or served.

FY06 Recommended Changes

	Expenditures	WYs
FY05 Approved	0	0.0
FY06 CE Recommended	0	0.0

Tobacco Enforcement

The Tobacco Enforcement Program includes surveillance investigations of Maryland State retail cigarette licensed facilities located in Montgomery County to ensure compliance with Montgomery County's Distribution of Tobacco Products to Minors and Tobacco Products Placement laws. Board inspectors issue civil citations to retail cigarette license holders and their clerks for tobacco distribution and display violations. Board inspectors must also appear and testify in District Court regarding the tobacco civil citations issued.

FY06 Recommended Changes

	Expenditures	WYs
FY05 Approved	119,470	2.5
FY06 CE Recommended	132,400	2.5

Administration

This program provides administrative services support to the Board, BLC staff, licensees, and members of the general public regarding policy and procedural matters. The program also provides funding for: (1) the Board's Executive Director to attend the annual National Liquor Law Enforcement Association (NLLEA) Training Seminar and the annual National Alcohol Beverage Control Association (NABCA) Conference, and (2) a Board inspector to attend the annual National Liquor Law Enforcement Association Training Academy.

FY06 Recommended Changes

	Expenditures	WYs
FY05 Approved	190,080	1.0
FY06 CE Recommended	210,740	1.0

BUDGET SUMMARY

	Actual FY04	Budget FY05	Estimated FY05	Recommended FY06	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	567,349	637,000	602,360	688,430	8.1%
Employee Benefits	168,538	198,170	184,670	230,430	16.3%
County General Fund Personnel Costs	735,887	835,170	787,030	918,860	10.0%
Operating Expenses	114,312	135,250	135,250	138,970	2.8%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	850,199	970,420	922,280	1,057,830	9.0%
PERSONNEL					
Full-Time	9	9	9	10	11.1%
Part-Time	5	5	5	3	-40.0%
Workyears	12.5	12.3	12.3	12.5	1.6%
REVENUES					
Liquor Licenses	1,204,248	1,300,000	1,300,000	1,300,000	—
Liquor License Application Fees	152,390	132,000	153,000	153,000	15.9%
Liquor Enforcement Fines	178,603	177,900	190,000	200,000	12.4%
Tobacco Enforcement Fines	17,285	75,000	20,000	20,000	-73.3%
Publication Sales - Alcohol Regulation	733	900	900	900	—
Fingerprint Processing Fee	8,950	7,200	7,200	7,200	—
County General Fund Revenues	1,562,209	1,693,000	1,671,100	1,681,100	-0.7%

FY06 RECOMMENDED CHANGES CROSSWALK

	Expenditures	WYs
COUNTY GENERAL FUND		
FY05 ORIGINAL APPROPRIATION	970,420	12.3
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY06 Compensation	30,150	0.0
Increase Cost: Annualization of FY05 Personnel Costs	19,280	0.2
Increase Cost: FY06 Retirement Rate Adjustments	13,810	0.0
Increase Cost: FY06 Group Insurance Rate Adjustments	10,500	0.0
Increase Cost: Raise Compliance Check Employee hourly rate from \$5.35/hr to \$7.57/hr [Alcoholic Beverage Enforcement]	9,950	0.0
Increase Cost: Motor Pool [Alcoholic Beverage Enforcement]	2,310	0.0
Increase Cost: Records Management [Administration]	980	0.0
Increase Cost: Annualization of FY05 Operating Expenses	430	0.0
FY06 RECOMMENDATION:	1,057,830	12.5

FUTURE FISCAL IMPACTS

Title	CE REC. FY06	FY07	FY08	(S000's) FY09	FY10	FY11
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY06 Recommended No inflation or compensation change is included in outyear projections.	1,058	1,058	1,058	1,058	1,058	1,058
Labor Contracts These figures represent the annualization of FY06 increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustment and service increments) for personnel are included for FY07 and beyond.	0	43	51	51	51	51
Subtotal Expenditures	1,058	1,101	1,109	1,109	1,109	1,109

LIQUOR LICENSE COMMISSIONERS

PROGRAM: Alcoholic Beverage Enforcement	PROGRAM ELEMENT: Sales to Minors				
PROGRAM MISSION: To reduce and ultimately eliminate alcohol sales to minors					
COMMUNITY OUTCOMES SUPPORTED: <ul style="list-style-type: none">• Young people making smart choices• Respect for the law• Healthy children and adults					
PROGRAM MEASURES	FY02 ACTUAL	FY03 ACTUAL	FY04 ACTUAL	FY05 BUDGET	FY06 CE REC
Outcomes/Results:					
Percentage of alcoholic beverage-licensed facilities tested that sold to minors	7.3	6.3	5.2	4.3	4.5
Percentage of non-licensed beverage facilities (DLC dispensaries) tested that sold to minors ^a	2.0	6.5	0.0	3.3	0.0
Number of sales to minors violations in licensed facilities	22	20	16	15	14
Number of sales to minors violations in non-licensed (DLC) facilities	1	2	0	1	0
Service Quality:					
Percentage of licensed facilities tested at least once per year	36	37	35	35	36
Percentage of non-licensed facilities (DLC dispensaries) tested at least once per year	100	100	100	100	100
Efficiency:					
Average cost per inspection (\$)	90	95	119	115	124
Workload/Outputs:					
Number of licensed facilities tested	301	318	308	320	313
Number of tests of non-licensed facilities (DLC dispensaries)	50	31	30	30	30
Inputs:					
Expenditures (\$)	31,640	32,990	^c 40,310	40,420	42,560
Workyears ^b	1.4	1.4	^c 1.5	1.5	1.5
Notes: ^a DLC dispensaries consist of the 25 retail liquor stores operated by the County's Department of Liquor Control. ^b Since FY01, full-time, under 21, minimum wage employees of the Board of Liquor License Commissioners have been used for alcohol compliance checks (the availability of under 21 <i>volunteers</i> has been significantly reduced in recent years). ^c A part-time 0.4 workyear temporary Alcohol Enforcement Specialist position with the Board of Liquor License Commissioners was re-classified as a 0.5 workyear permanent position.					
EXPLANATION: The Board of Liquor License Commissioners has implemented an aggressive enforcement program to decrease violations related to the sale of alcoholic beverages to minors, using compliance checks by under-age testers. Facilities licensed for alcoholic beverages are tested by sending in under-age testers who attempt to purchase such beverages. The initial violation rate for the first year of these tests (FY92) was 36 percent. Compliance checks with under-age testers have continued on a weekly or monthly basis since that time. The FY04 violation rate was 4.7 percent, and it has been as low as 2 percent (in FY97). Montgomery County's violation rate is currently one of the lowest in the country (any violation rate less than 10 percent is considered outstanding). The substantial decrease in licensed facilities selling alcoholic beverages to minors can be attributed to continuous monitoring of these facilities. Licensees are aware that compliance checks by under-age testers are conducted on a weekly and/or monthly basis. Equally important are the stiff penalties assessed to licensees. First-time violators are fined \$1,000. Repeat violators have been fined up to \$20,000, issued a six-month license suspension, or have had their alcoholic beverage license revoked. All fines, suspensions, and revocations are reported monthly in the <i>Washington Post</i> and in the Department of Liquor Control newsletter, which is issued to all alcoholic beverage licensed facilities. Licensees are also made aware of this enforcement effort through press reports, notification letters from the Board of Liquor License Commissioners, and word of mouth. In FY93, the Board of Liquor License Commissioners began to regularly monitor Department of Liquor Control dispensary stores ("County liquor stores") for sales-to-minors violations. The FY04 sales-to-minors violation rate for the "County liquor stores" tested was a perfect 0 percent - no violations were found.					
PROGRAM PARTNERS IN SUPPORT OF OUTCOMES: County Attorney's Office; under-21 employees.					
MAJOR RELATED PLANS AND GUIDELINES: Article 2B of the Annotated Code of Maryland (Alcoholic Beverages and Tobacco Tax Laws); Montgomery County Code, Appendix D (Rules and Regulations of the Board of Liquor License Commissioners); Board of Liquor License Commissioners Policy and Procedure 1-4, "Use of Underage Volunteers;" DLC Policy and Procedure #4-22, "Sales to Minors and Intoxicated Patrons."					